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ARMAMENT EXPANSION PLANS

President Roosevelt has announced on numerous occasions recently that he will ask the new Congress which convenes on January 3 to approve a tremendous armament expansion program. The extent to which this decision on the part of the President arises out of the Munich crisis, the results of the November elections and a desire to get heavy industries into a more prosperous condition before the 1940 elections roll around is of course, unknown. That his program will meet strong opposition from members of Congress, leaders of peace agencies and a large section of the public, including the middle west farm interests that have nothing to gain and much to lose from an armament expansion policy is a foregone conclusion. It is equally certain that his recommendations will receive strong support from senators and members of Congress representing eastern constituencies, shipbuilding, steel, machinery and other interests. Newspaper readers can expect the usual barrage of propaganda concerning the defenseless position of the United States and our vulnerability to attack. Present indications are that the totalitarian powers rather than Japan will be the 'big bad wolf' that is about to attack us in this instance. Japan already has her hands more than full in China and any entanglement on this side of the Pacific would be an immediate invitation to Soviet Russia to begin to settle her score with the little brown man of the Orient. The decisions of the Lima Conference (now all but agreed upon) will give the big navy and army just the cue they need. The United States now becomes the guarantor of the integrity of the two Americas against totalitarian invasions from Europe. Not the sole guarantor, of course, but the hub around which American solidarity revolves. This calls for adequate naval and military (Continued on page 4, column 1)

MILLIONAIRE ESTATE

He built a fence around twelve thousand acres,
Built a fence and set watchmen at the gates and said, "this is mine."
Twelve thousand acres of green grass and trees and a brook,
With soft, cooling shade in the summer,
The rustle of multi-colored leaves in the autumn,
While in winter the drifting snow fashions fairy castles among the branches.
Around all this he built a fence and said, "keep out."
He is an old man and busy,
From his window he can see his twelve thousand acres,
But he never goes there,
Inside that fence no man ever enters,
No children dream in the shade, nor romp among the multi-colored leaves,
Nor shout, nor play on a winter day,
There is a fence around twelve thousand acres,
And one third of a nation is without a home.
(From 'Nuts and Bolts' in The United Automobile Worker)

WASTEFUL AMERICA

In the 300 years since settlement of this country began, and mostly within the last 100 years, 50,000,000 once fertile acres have been permanently ruined as productive land, according to the Soil Conservation Service of the Department of Agriculture. Another 50,000,000 acres are seriously damaged. In addition, there are now in cultivation 100,000,000 acres impaired by erosion and another 100,000,000 acres on which erosion has begun. Of the 1,907,000,000 acres representing the total area of the country exclusive of city and water territory, nearly two-thirds is in some degree affected by erosion. (From Saving the Soil, U.S. Dept. Agriculture. Quoted from address of Rep. Henry G. Teignan, Minn.)

THE DISTRIBUTION OF OUR NATIONAL INCOME

The following facts and figures were compiled by Benjamin C. Marsh, secretary of The People's Lobby, Washington, D.C., and were printed in Congressional Record on the request of Senator Frasier.

Who Gets the National Income?

In 1936, 651,866 persons reported net incomes of over \$5,000, with a net total of \$10,054,262,000. They paid in federal income taxes and surtaxes only \$1,143,875,000 - an average of 11.3% on their net income. After paying all direct taxes they had left \$7,569,051,000 for spending. This 'net income' was the amount remaining after 'deductions' of \$1,341,326,000 were made, as follows:

Business losses	\$ 45,634,000
Partnership losses	12,353,000
Net capital losses	63,324,000
Interest paid	280,320,000
Taxes paid	349,058,000
Contributions	199,444,000
Other deductions	393,194,000

The total deductions of these 651,866 persons were \$51,500,000 greater than the deductions claimed by 4,795,573 persons reporting net incomes of less than \$5,000.

What They Had Left

Range of Income	Number	Av. Tax Paid	Av. Sum Left
\$ 5,000-10,000	417,111	\$ 184	\$ 6,622
10,000-25,000	175,164	944	13,887
25,000-50,000	40,782	4,650	29,391
50,000-100,000	13,505	15,858	51,216
100,000-150,000	2,588	44,557	74,479
150,000-300,000	1,535	95,519	104,020
300,000-500,000	330	216,485	160,857
500,000-1,000,000	177	246,378	444,085
Over \$1,000,000	61	1264,557	500,049

Those reporting incomes of \$5,000 to \$100,000 (646,562 persons) paid in income and surtaxes the sum of \$654,756,000 and had left a total of \$7,085,000,000 an indication that federal income and surtaxes are not burdensome on those in this group.

The Commissioner of Internal Revenue gives the following figures for property income during the fiscal year 1935:

480,799 persons with incomes of	
\$5,000 and over	\$4,386,771,000
3,992,627 persons with incomes	
under \$5,000	\$2,318,364,000
(Continued on page 4, column 2)	

STOP SUBSIDIZING WARS!

One of the strange contradictions which people of other lands find difficult to reconcile is the frequent protestations of American devotion to peace and our constant subsidizing of warfare through the export of arms, munitions, and other products necessary to successful prosecution of military projects. It is true that American airplane manufacturers have been kindly disposed to Secretary Hull's request to cease shipment of airplanes to Japan, but advices from China report that 54% of the munitions used against the Chinese come from America. Incidentally, it is reported that the bomb that sank the 'Panay' was of American manufacture. Japan is said to depend entirely upon imports from the United States for a special grade of steel and for machinery that can be bought nowhere else. Her military trucks, some airplanes and parts, and nearly all her oil and gasoline come from America. Not only so, but by our purchases of silks and many manufactured goods, we subsidize the export of such materials of warfare. Japan sells 85% of her silk output to us, and we buy 97% of our total silk purchases from her.

By this 'merchandise of death' we are not only aiding in the devastation of China, but we are helping to finance our own exclusion from Oriental trade. Many recent utterances of Japanese civil and military leaders in high places have made the repudiation of the 'Open Door Policy' so plain that even the most obtuse cannot be blind to it any longer.

Congressman J.J.O'Connell has introduced H.J. Resolution 527 to give the President power to forbid the exportation of arms, ammunition, or implements of war to aggressor nations, and in addition thereto to empower him to place an embargo on the export of any other articles or materials necessary to promote the security of the U. S., protect the lives of citizens of the U. S., to shorten the duration or prevent the spread of armed conflict threatening world peace, or to effectuate the objects of any treaty to which the U.S. is a party through collective action of signatures thereto. While this Bill would put tremendous power in the hands of the President, it is receiving the support of a good many people, among them American missionaries in the Orient, some of whom have written to friends at home asking active work in behalf of its passage.

Have you ever given a thought to the Cap who carries your luggage at the trolley station? For years they have received only tips for their services. Good times Red Caps in important terminals made good money, but in the depression years they made only a bare living. Two recent decisions promise a better their lot. The Interstate Commerce Commission has ruled that Red Caps come under the provisions of the Trolley Labor Act. Now Commissioner reviews rules that the wages and hours applies to them. They must now be paid not less than 25 cents per hour for the 44-hour week.

A group of 10 Negro farmers in Fayette County Texas has established the first cooperative sawmill. A portable mill costing \$250 was purchased and is used from one farm to another to meet demands. Both white and Negro farmers use the mill.

The agricultural problem in the South will be immensely aggravated if the mechanical cane-cutter recently tried out proves to be as successful as first experiments indicate. The machine, operated by three men, cut, topped, stripped and bunched sugar cane at the rate of one ton every three or four minutes. Negro cane workers of Louisiana, who last year received from 90 cents to \$1 per day for 14 hours of work (women workers to 90 cents) will be entirely thrown out of work.

First prize of \$1,000 for the best design of a bronze panel to be placed above the main entrance to the Associated Press Building in the Rockefeller Center group in New York went to Isamu Noguchi, 34-year old Los Angeles born son of a Japanese poet father and an American mother.

With the American Medical Association indicted by federal prosecutors for violation of the national anti-trust laws, special significance is attached to the action of the Medical Society of the County of New York in defeating by an overwhelming majority a proposal which would have outlawed cooperative medicine. The fight against the proposal was led by Dr. Kingsley Roberts, Fellow of the American College of Surgeons and the American Academy of Medicine, and chairman of the medical advisory board of the Cooperative Health Association of New York.

What goes on inside Germany? What do the German people think of Hitler and his program? Reliable information is hard to get, but Commander Stephen King-Hall, whose K-H Newsletter is one of the most enlightening sources of information regarding European affairs, reports receipt of first hand information indicating that the German people are alarmed over the direction affairs are taking. Not only does the German public feel that war was avoided by a narrow squeak, but high officers of the German army are inclined to say that Hitler shall never again be permitted to bring the nation so close to a war for which it is not prepared, though whether army resistance would restrain Hitler is an open question. One report describes Goebbels as 'the best hated man in Germany' and declares that the people of Germany want true understanding with other peoples. Still another report declares that the German people are tired of tub-thumping and sword-rattling. 'The vast majority of Germans are expecting Chamberlain to liberate them from the oppression and illusive policy of their own rulers, before Hitler, driven by his irresponsible moods, his lunatic ambition and his venomous extremists, ventures his next gamble with the lives of his people'. It is charged that the Nazi regime is losing grip on the situation and that in a desperate effort to re-establish its prestige the following developments may be expected. 1. Further attacks on democracies, leading to the view that totalitarian states cannot enter into stable peace arrangements with democracies in which freedom of discussion exists. 2. Emphasis upon the danger of Communism and in consequence a probable movement toward the Ukraine in early 1939. 3. Reiteration of demands for colonies and insistence that refusal to grant them is a part of the plot to encircle Germany. 4. Increased Nazi activity in Denmark, Hungary and Switzerland. 5. Hints of repudiation of the Anglo-German Naval Agreement (which limits the German navy to one-third that of Britain, except for submarines) unless colonies are granted unconditionally.

A not inconsiderable factor in the recent outbreaks against the Jews in Germany is that because of it the German government has been able to lay its hands immediately upon something like

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CHILD LABOR SUNDAY

The National Child Labor Committee announces the designation of Sunday, Jan. 29 as National Child Labor Sunday. For groups which prefer to observe a day other than Sunday, Saturday, Jan. 28 or Monday, Jan. 30 are suggested. For groups wishing to observe the day the committee has prepared a packet of materials which will be sent on receipt of 25 cents. Without extra charge the committee will also send a suggested child labor day talk, a play for the use of church groups, special material on the child labor amendment, posters, and a statement for use in local newspapers. Lantern slides with an accompanying lecture are available for a \$2 rental.

The Wages and Hours Act, has removed tens of thousands of children under the age of 16 from employment in industries engaged in interstate commerce, but this law does not reach industries engaged solely in intra-state commerce. Thousands of children still work in laundries, garages, beauty parlors, restaurants, and agriculture. In Missouri hundreds of children were discovered in the tiff mining industry, earning an average of \$2.87 a week. Only ratification of the Child Labor Amendment can reach this situation.

(Cont'd) DISTRIBUTION OF INCOME

In addition, the 480,799 persons with incomes over \$5,000 received additional income in the form of salaries, wages, commissions, and fees' amounting to a total of \$2,618,901,000, making their total income \$7,005,672,000. In other words, approximately a half million people in the upper income brackets got in 1935 more than three times as much of the national income as the nearly 4,000,000 people in the lower income levels. This disproportionate distribution of national income helps to explain the existence of poverty and the need for huge governmental expenditures for relief.

(Cont'd) INSIDE GERMANY

\$400,000,000 worth of Jewish property in the form of fines levied on the Jewish population because of the murder of Vom Rath by a Jewish youth in Paris. The total sum that will ultimately come into the hands of the Nazis is undoubtedly much greater because of the forced liquidation of property by Jews wishing to leave the country.

(Cont'd) ARMAMENT EXPENSION PLANS

power. The creation of the new Atlantic Fleet with 35 vessels is the first move. Additional moves will call for expansion of the army, huge new naval appropriations to complete vessels already authorized, plans for new vessels, the creation of an immense air force and coast defenses on both the Atlantic and Pacific and in Panama.

The exact program to be recommended to Congress is, of course, not known at this moment. It will undoubtedly be revealed in the Presidential message on January 3. Those familiar with the situation in Washington predict that askings for the Navy will not be less than the current appropriation (including WPA and PWA grants and authorizations) of \$634,179,495, plus approximately \$150,000,000 for new construction. This will bring the 1939-1940 naval expenditures to \$784,179,495 - more than three-quarters of a billion dollars! Also an addition of \$100,000,000 or \$150,000,000 to the Army's current appropriations of \$528,909,029, bringing Army appropriations for the next biennium to \$628,909,029, or possibly to \$678,909,029!

Details of the proposed arms expansion program are still unknown. However preliminary discussions revolve around new naval construction, the expansion of the Army air force to 10,000 planes and the naval air force to 4,000, purchase and storage of six months' supplies as an initial protective move, the creation of three major air bases, increase of the Navy personnel by 10,000 men and the Army by 15,000, with proportionate increases in officers, an educational program to cost about \$30,000,000, and a program of training for civilian airplane mechanics and pilots at governmental expense. If these predictions prove to be anywhere near correct, the American people will be asked to spend approximately ONE BILLION FIVE HUNDRED MILLION DOLLARS PER YEAR FOR THE NEXT TWO YEARS for a product called 'national defense'! That is slightly more than \$10.45 for every man, woman, and child in the United States! Or \$52.25 out of the household budget of every family of five in the United States! IS IT WORTH IT?